(b) 12 persons were arrested under the NDPS Act and are liable for stringent penalties.

(c) Instructions have been issued to all enforcement agencies to maintain the utmost vigil and step up enforcement efforts under the stringent provisions contained in the NDPS Act. Training is being imparted to officers to improve their effectiveness. Vehicles and communication equipment has been provided.

**CBI raids in connection with Multi Crore Scam**

1934. SHRI SANJAY DALMIA : Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that the CBI has recently conducted raids in fourteen companies premises located in various part of the country in connection with the multi score scam; and

(b) if so, the details htereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKHARA MURTHY): (a) and (b). No, Sir. However, as reported by Central Bureau of Investigation (CBI) in connection with investigation of two scam related cases registered by them viz, RC. 3/9-BSC/ Bombay & RC.2/94-BSC/Bombay, they had conducted searches at 30 places in one case and at the business premises of 4 firms in Bombay and Calcutta in the second case.

**Implementation of Narasimhan Committee Report**

1335. SHRI RAJBHAI A. PARMAR :

SHRI RAJNI RANJAN SAHU :

SHRI SUSHIL KUMAR SAMBHAJIRAO SHINDE :

SHRIMATI VEENA VERMA :

Will the Minister of FINANCE be pleased to state :

(a) what action has so far been taken and what action still remains to be taken on the recommendations of the Narasimhan Committee on restructuring of financial sector; and

(b) the reasons for the delay in implementation thereof ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKHARA MURTHY): (a) and (b). Most of the recommendations of the Narasimhan Committee are in the process of implementation including reduction in Statutory Liquidity Ratio (SLR) and Cash Reserve Ratio (CRR), simplification of interest rate structure, positioning of norms in respect of capital adequacy, income recognition and pdovisioning requirements, revision of balance sheet and profit and loss formats for ensuring greater transparency, revision of Reserve Bank of India gu'delines for for branch licensing/branch closure, technological modernisation through computerisation, issue of guidelines for entry of new private sector banks, measures aimed at liberalisation of the capital market, vesting of SEBI with statutory powers, equal treatment of various Mutual Funds in the area of tax concessions etc. Recommendations regarding issue of fresh capital to the public in respect of public sector banks, setting up of Special Recovery Tribunals and establishment of a Board for Financial Supervision under the aegis of Reserve Bank of India have also been accepted.

The Committee's recommendations regarding reduction in priority sector lending to 10 per cent and setting up of Nation wise Asset Reconstruction Fund have not been accepted.

The main recommendations of the Committe which are still under examination include deductability of specific provisions made by the banks and institutions under the Income Tax Act, decentralisation of recruitment of officers in the banks and structure of rural credit. The recommendations are being implemented in a phased manner.

Regarding restructuring of the banking system, Committee had suggested a broad pattern and the movement towards the revised system was recommended to be market driven. In regard to Committee's recommendations for restructuring of Regional Rural Banks, after considering a number of alternative models it has been decided to revamp the Regional Rural Banks by cleaning up their balance sheets on a 'stand alone basis'. 50 of the RRBs are to be taken up during 1994-95 for undertaking comprehensive restructuring and experience with these RRBs will guide the approach in latter years for other RRBs. Recommendations of the Committee regarding restructuring of IDBI by incorporating a separate financial institutions as a company to take over IDBI's direct lending function has not been accepted. Industrial Finance Corporation of India has, however, been converted into a Company and IDBI's equity holding has been diluted in this company as suggested by the Committee.

**Reduction in Premia paid to Insurance Companies**

1936. SHRI V. HANUMANTHA RAO: Will the Minister of FINANCE be pleased to state :

(a) whether there is a proposal to induce and direct insurance companies to reduce their premia;

(b) if so, the steps proposed;

(c) whether it is a fact that the nationalised insurance companies are overcharging the public; and

(d) the steps proposed to be taken to streamline the system of insurance?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKHARA MURTHY): (a) and (b). The Government does not direct the insurance companies to fix the premium rates. While in the case of life insurance policies, the rates are fixed by the Life insurance Corporation of India, in the case of general insurance policies, the rates are fixed by the Tariff Advisory Committee which is a statutory body set up under the Insurance Act, 1938 to control and regulate the rates, advantages, terms and conditions that may be offered by the insurers in respect of general insurance business.

(c) No, Sir.

(d) A Committee was set up under the Chairmanship of Shri R. N. Malhotra, former Governor, Reserve Bank of India, to suggest Reforms in the Insurance Sector. The Report submitted by the Committee on 7th January, 1994 is under active consideration of the Government.

**Investment by L.I.C. in Andhra Pradesh**

1937. SHRI V. HANUMANTHA RAO: Will the Minister of FINANCE be pleased to state :

(a) whether Government have issued guidelines for investment of the LIC funds in different States and in the various projects;

(b) if so, whether the total funds invested by LIC exceed Rs. 50,000 crores; and

(c) what are the details of the investment made by LIC in Andhra Pradesh in 1993-94 ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKHARA MURTHY): (a) and (b). Yes, Sir.

(c) Details of investment by LIC in Andhra Pradesh in 1993-94 are as under:—